Cumulative List of Waivers and Expenditure Authorities
for the Arizona Health Care Cost Containment System (AHCCCS) Demonstration

Under the authority of section 1115(a)(1) of the Social Security Act (the Act), waivers of the following provisions of the Act (and its implementing regulations) are granted through September 30, 2006, to enable the State to carry out the demonstration, consistent with the accompanying special terms and conditions:

1. To enable the State to impose cost sharing on mandatory services and on individuals enrolled in a health maintenance organization.

   Section 1902(a)(14), (42 CFR 447.50 and 447.53)

2. To enable the State to restrict freedom of choice of provider. Among other things, this waiver will allow the State to restrict the freedom of choice of provider upon re-enrollment for individuals who lose eligibility and then become eligible again within 90 days.

   Section 1902(a)(23), (42 CFR 431.51)

3. To enable the State to obtain flexibility in arranging reimbursement agreements with health care providers.

   Section 1902(a)(13), (42 CFR 447.250 - 447.371) (except for the public notice provisions in 1902(a)(13)(A)); Section 1902(a)(30), insofar as it is implemented by the regulations cited above and by 42 CFR 434.23; Section 1902(a)(4), insofar as it is implemented by 42 CFR 434.23.

4. To enable the State to exclude hospitalized individuals and others not requiring long-term care (LTC) services from the optional institutionalized eligibility categories.

   Section 1902(a)(10)(A)(ii)(V), (42 CFR 435.217 and 435.236)

5. To enable the State to receive payment for outpatient drugs without complying with the requirements of the Omnibus Budget Reconciliation Act of 1990 pertaining to drug rebate and drug use review.

   Section 1902(a)(54), (42 CFR 456.700 - 456.725)

6. To enable the State to provide supported employment services to certain developmentally-disabled HCBS services clients.

   Section 1902(a)(10)(B), (42 CFR 440.240)

7. To enable the State to disregard quarterly income totaling less than $20 from the post-eligibility income determination.

   Section 1902(a)(17), (42 CFR 435.725 and 435.726)

8. To the extent necessary to permit the State to offer different benefits to managed care organization enrollees that are not offered to Medicaid beneficiaries not enrolled.

   Section 1902(a)(10)(B)(i)

9. To enable the State to waive the requirement to provide medical assistance for up to three months prior to the date that an application for assistance is made.

   Section 1902(a)(34)

Under the authority of section 1115(a)(2) of the Act, expenditures made by the State for the items identified below (which would not otherwise be included as matchable expenditures under section 1903) shall, for the period of this project, be regarded as matchable expenditures under the State's Medicaid State plan:

1. Expenditures for hospital services that would not otherwise be federally matchable due to the limits on matching in section 1903(i)(3).

2. Expenditures under contracts with managed care entities that do not meet the requirements in section 1903(m)(2)(A) specified below. AHCCCS' managed care plans participating in the demonstration will have to meet all the requirements of section 1903(m) except the following:

   --1903(m)(2)(A)(i), but only insofar as the provisions of 1903(m)(1)(A)(i) would otherwise preclude Native Americans from having a choice to enroll in either Indian Health Service facilities or AHCCCS plans;

   --1903(m)(2)(A)(vi) insofar as it requires compliance with the requirements in section 1932(a)(4) - that enrollees be permitted an initial 90-day period within which they can disenroll without cause.

   --1903(m)(2)(A)(viii) and 1903(m)(4)(A) and (B), but only insofar as these provisions relate to disclosure of transactions between AHCCCS plans and parties in interest.

3. Expenditures associated with the provision of HCBS to individuals determined to be eligible and for services specified in the program. Those expenditures include, but are not limited to, the establishment of ALTCS eligibility for all individuals with income levels up to 300 percent of the SSI income level, whether institutionalized or non-institutionalized, as well as individuals enrolled in the

ALTCS Transitional program; waiving parental income for children up to age 18; and imposing the share of cost and personal needs allowance requirements.

4. Expenditures for outpatient drugs which would otherwise be excluded by virtue of section 1903(i)(10).

5. Expenditures to extend ALTCS eligibility to individuals under the age of 65 using the preadmission screening instrument as a substitute disability standard.

6. Expenditures to provide continued medical coverage to children who meet the initial eligibility requirement as a deemed newborn without consideration of the mother's continued Medicaid eligibility.

7. Expenditures to provide family planning services for up to 24 months to AHCCCS-eligible women who subsequently lose eligibility at 60 days postpartum.

8. Expenditures for services to an AHCCCS enrollee age 21-64 residing in an IMD for the first 30 days of an inpatient episode, subject to an aggregate annual limit of 60 days. Enrollees who were residing in an IMD as of the date of the award letter, but who were admitted prior to the date of this letter, will not be eligible for title XIX reimbursement for that stay. Enrollees who are admitted on or after the date of the award letter will be eligible for title XIX reimbursement, subject to the 30/60 limits.

9. In determining the eligibility of ALTCS applicants and recipients, expenditures associated with excluding from the 300 percent of SSI test and post-eligibility calculations the income currently excluded from the 100 percent of SSI test listed in section 1612(b) of the Act.

10. Expenditures associated with eliminating the 30-day wait for use of 300 percent of SSI as the income limit in determining eligibility for new ALTCS applicants.

11. Expenditures associated with allowing some dependent children or spouses to qualify for ALTCS one month earlier than usual by disregarding the income and resources of responsible relatives or spouses in the month of separation.

12. Expenditures associated with disregarding in-kind support and maintenance (ISM) as income in determining eligibility for QMB, SLMB, QI 1, QI 2, or SSI-MAO benefits.

13. Expenditures associated with changing the budgeting process for ALTCS and SSI-MAO income eligibility determinations when there is an eligible or ineligible spouse (if the spousal impoverishment requirements of section 1924 of the Act do not apply) or when the applicant/recipient is living with a minor dependent child.

14. Expenditures associated with simplifying the life insurance and burial funds policy in the eligibility determination process for the SSI-MAO groups.

15. Expenditures associated with excluding the value of household goods and personal effects in the eligibility determination process for the SSI-MAO groups.

16. Expenditures associated with excluding the value of mineral rights, oil rights, and timber rights in the eligibility determination process for the SSI-MAO groups.

17. Expenditures associated with allowing resource determinations to be made based on resource verifications produced for any date during a calendar month, making the individual resource eligible for the entire month.

18. Expenditures to provide Medicaid coverage to individuals with adjusted net countable income at or below 100 percent of the Federal Poverty Level (FPL) who are not otherwise eligible for Medicaid.

19. Expenditures to provide Medicaid coverage to individuals who have medical bills incurred by the family unit sufficient to reduce their adjusted net countable family income to 40 percent or less of the FPL and who are not otherwise eligible for Medicaid.

Under the authority of section 1115(a)(2) of the Act, as incorporated into title XXI by section 2107(e)(2)(A), State expenditures described below (which would not otherwise be included as matchable expenditures under title XXI) shall, for the period of this project and to the extent of the State's available allotment under section 2104 of the Act, be regarded as matchable expenditures under the State's title XXI plan:

20. Expenditures to provide Medicaid coverage to individuals over age 18 with adjusted net countable family income at or below 100 percent of the FPL, who are single adults and childless couples, and who are not otherwise eligible for such coverage, except through the demonstration project amendment approved January 18, 2001.

21. Expenditures to provide demonstration coverage consistent with the requirements of section 2103 to individuals whose adjusted net countable family income exceeds 100 percent of the FPL, but does not exceed 200 percent of the FPL, who are parents of children enrolled in the Arizona Medicaid or title XXI programs, and who are not otherwise eligible for Medicaid or title XXI coverage.